

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2004-79-C - ORDER NO. 2004-204  
APRIL 19, 2004

IN RE: Joint Petition of Dominion Telecom, Inc.,	) ORDER GRANTING
Dominion Fiber Ventures, Inc., And Elantic	) REQUEST FOR
Networks, Inc. for Approval of a Change in	) EXPEDITED REVIEW,
Control of Dominion Telecom, Inc. and for	) JOINT PETITION FOR
Approval of a Name Change from Dominion	) APPROVAL OF A
Telecom, Inc. to Elantic Telecom, Inc.	) CHANGE IN CONTROL
	) AND FOR APPROVAL OF
	) A NAME CHANGE

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Joint Petition of Dominion Telecom, Inc. (“Dominion Telecom”), its parent Dominion Fiber Ventures, LLC (“Dominion Fiber Ventures”), and Elantic Networks, Inc. (“Elantic Networks”) (together with Dominion Telecom and Dominion Fiber Ventures, “Joint Petitioners”) requesting approval of a change of control of Dominion Telecom from Dominion Fiber Ventures to Elantic Networks. Further, Dominion Telecom seeks Commission approval of a name change from Dominion Telecom, Inc. to Elantic Telecom, Inc.

The Joint Petition was filed pursuant to S.C. Code Ann. Section 58-9-310 (Supp. 2003), and the applicable regulations of the Commission.

**THE PARTIES**

Dominion Telecom, a wholly owned subsidiary of Dominion Fiber Ventures, is a Virginia public service corporation with its headquarters at 4355 Innslake Drive, Glen

Allen, Virginia 23060, (804) 565-7500. The Commission granted Dominion Telecom a Certificate of Public Convenience and Necessity to provide local exchange and interexchange services by Order 2001-1120 issued by the Commission on December 18, 2001, in Docket No. 2001-375-C. Dominion Telecom holds both domestic and foreign authorizations from the Federal Communications Commission under section 214 of the Communications Act of 1934 to provide domestic interstate and international telecommunications services. Dominion Telecom currently provides, or is authorized to provide, facilities-based local exchange and interexchange telecommunications services to customers in approximately sixteen (16) states, including South Carolina.

Dominion Fiber Ventures is a Delaware limited liability company headquartered at 120 Tredegar Street, P.O. Box 26532 (23261), Richmond, Virginia 23219, (804) 819-2271. Dominion Fiber Ventures does not hold a Certificate of Public Convenience and Necessity to operate as a telecommunications utility in South Carolina.

Elantic Networks is a Delaware corporation headquartered at 2134 West Laburnum Avenue, Richmond, Virginia 23227, (804) 422-4517. Merger Sub is a Virginia public service corporation and a wholly owned subsidiary of Elantic Networks that was created solely for the purposes of this merger. The address and telephone number of Merger Sub are 2134 West Laburnum Avenue, Richmond, Virginia 23227-4342, (804) 422-4517.

### **THE TRANSACTION**

A description of the proposed transaction is discussed in the Joint Petition. On March 1, 2004, Joint Petitioners entered into an Agreement and Plan of Merger (the

“Agreement”) whereby Dominion Telecom will become a subsidiary of Elantic Networks. Specifically, Joint Petitioners have proposed that a recently established merger subsidiary, Merger Sub, owned by Elantic Networks, will be merged with and into Dominion Telecom. Following the merger, the separate existence of the merger sub will cease and Dominion Telecom will continue as the surviving corporation. Upon approval of the Commission, the name of the surviving corporation will be changed to Elantic Telecom, Inc. In connection with the proposed merger, each share of Dominion Telecom will be automatically converted into the right to receive certain consideration. Following the merger, Elantic Networks will own all of the stock of the surviving company.

By letter dated March 19, 2004, the Commission’s Executive Director instructed Joint Petitioners to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Joint Petition. The purpose of the Notice of Filing was to provide notice of the Joint Petition to any interested parties, and to advise interested parties of the manner and time in which to file pleadings to participate in the Docket. The Joint Petitioners complied with this instruction and provided the Commission with Affidavits of Publication as proof of publication of the Notice of Filing. The Commission received no Petitions to Intervene, letters of protest, or comments with regard to the instant Joint Petition.

### **MOTION FOR EXPEDITED REVIEW**

As part of their Joint Petition and by letter dated April 7, 2004, the Joint Petitioners requested expedited review and disposition of their Joint Petition in order that Joint Petitioners could consummate the proposed transactions as soon as possible. In

furtherance of their request for expedited review, Joint Petitioners provided the Commission with the Verified Testimony of Ms. Patricia McIntyre, Dominion Telecom's Director of Sales and Business Development. Because the return date expired with no intervention or oppositions, the Commission Staff brought the matter to the Commission for consideration.

Upon consideration of the Joint Petitioners' request, the Commission finds that expedited review should be granted. By their requests, the Joint Petitioners waive their right to a formal hearing. The Commission finds that notice of the Joint Petition was properly afforded to the public and that no interested person sought to become a party to the proceeding. The Commission finds that procedural due process was afforded in this matter and further finds that the Joint Petitioners have made a knowing waiver of a formal hearing. Therefore, the Commission's consideration of the Joint Petition in the context of its regularly scheduled weekly meeting held on April 13, 2004, with court reporter present was proper. Accordingly, for purposes of expedited review, the Commission has deemed its examination and discussion of the Joint Petition and the Verified Testimony of Ms. Patricia McIntyre, Dominion Telecom's Director of Sales and Business Development, presented during the course of the Commission's April 13, 2004, weekly meeting, as a hearing on this matter.

#### **EXAMINATION OF THE JOINT PETITION AND VERIFIED TESTIMONY**

Ms. McIntyre described and supported the Joint Petition submitted to the Commission by the Joint Petitioners. Ms. McIntyre is responsible for overseeing Dominion Telecom's daily operations. Ms. McIntyre joined Dominion Telecom in

March, 2001 and has more than 20 years of telecommunications sales, marketing and operations experience. Prior to joining Dominion Telecom, Ms. McIntyre held various leadership positions within AT&T, including sales, product management, segment marketing and strategy, and customer care. In addition, Ms. McIntyre was a sales leader at AT&T Paradyne and an Assistant Vice President of Communications at Oppenheimer and Company, Inc. Ms. McIntyre holds a bachelor's degree in Finance and Economics from American University, and is a graduate of the Senior Executive Program at Columbia University.

Ms. McIntyre described the transactions for which the Joint Petitioners seek approval. Further, Ms. McIntyre testified that the Commission will not need to alter any authority granted by the Commission in order to approve the Joint Petition. The only change will be the change of name from Dominion Telecom to Elantic Telecom. Elantic Telecom will continue to operate under the Certificate of Public Convenience and Necessity granted by the Commission in Docket No. 2001-375-C. Additionally, Ms. McIntyre testified that the transfer of control will not adversely affect South Carolina customers, and should be transparent to any such customers. The transfer should have no immediate impact on any customers in terms of the services they receive from Dominion Telecom. Dominion Telecom expects to be able to provide high quality, affordable telecommunications services to the public in a similar manner as it has been able to since it obtained certification from the Commission.

Ms. McIntyre testified that Dominion Telecom will continue to possess the technical, managerial and financial resources necessary to provide local exchange and

interexchange telecommunications services in South Carolina. As stated in the Joint Petition and in Ms. McIntyre's testimony, Elantic Telecom will enter into one or more management and services agreements ("MSAs") with Cavalier Telephone, LLC ("Cavalier") to operate and manage Dominion Telecom's network. According to Ms. McIntyre, Cavalier's management and engineering team has over a century of experience in the telecommunications industry. Cavalier currently offers "plain old telephone service," digital subscriber line ("DSL"), and related telephone and data services in six jurisdictions: Virginia, Pennsylvania, Maryland, New Jersey, Delaware and the District of Columbia. Cavalier brings a wide array of telephone and data service offerings to over 200,000 access lines and over 150,000 business and residential customers. Cavalier also owns, operates, and maintains over 2,200 miles of fiber-optic network throughout its footprint, and interconnects directly with several leading wireless carriers, several interexchange carriers, numerous competitive local exchange carriers, and the incumbent local exchange carrier. Cavalier is collocated in approximately 205 collocation sites throughout its footprint, as well as half dozen major carrier hotels. In addition, upon consummation of the merger, Cavalier will utilize some of Dominion Telecom's employees, together with its own work force of over 850 employees to continue to bring quality service to Dominion Telecom's customers. Currently, Cavalier has annualized revenues of \$192 million. Cavalier expects to continue to serve existing Dominion Telecom customers, to expand its service offerings to those customers, and to build on the customer base that Dominion Telecom has already started assembling.

According to the Joint Petition and Ms. McIntyre's testimony, Commission approval of the Joint Petition is in the public interest because it will promote competition among telecommunications providers in South Carolina and ensure that Dominion Telecom will continue to have access to the financial resources it needs to expand and implement its business strategies while continuing to provide high-quality services to existing customers.

Upon review and consideration of the Joint Petition, the verified testimony of Ms. McIntyre, and applicable law, the Commission hereby issues its findings of fact:

**FINDINGS OF FACT**

1. Dominion Telecom is organized as a corporation under the laws of the Commonwealth of Virginia and is authorized to do business as a foreign corporation in the State of South Carolina by the South Carolina Secretary of State. The Company's corporate headquarters are located in Glen Allen, Virginia. Dominion Telecom is a wholly owned subsidiary of Dominion Fiber Ventures.

2. Dominion Telecom was authorized to operate as a provider of local exchange and interexchange telecommunications pursuant to a Certificate of Public Convenience and Necessity granted by the Commission in Order No. 2001-1120 in Docket No. 2001-375-C issued on December 18, 2001.

3. Elantic Networks is a Delaware corporation headquartered in the Commonwealth of Virginia. Merger Sub is a Virginia public service corporation and a wholly owned subsidiary of Elantic Networks that was created solely for the purposes of this merger.

4. On March 1, 2004, Joint Petitioners entered into an Agreement and Plan of Merger whereby Dominion Telecom, will become a subsidiary of Elantic Networks. Specifically, Merger Sub will be merged with and into Dominion Telecom. Following the merger, the separate existence of the Merger Sub will cease and Dominion Telecom will continue as the surviving corporation. In connection with the proposed merger, each share of Dominion Telecom will be automatically converted into the right to receive certain consideration. Following the merger, Elantic Networks will own all of the stock of the surviving company.

5. The Commission finds that the proposed transaction whereby control of Dominion Telecom will be transferred to Elantic Networks should be approved.

6. The Commission finds that the proposed transaction is in the public interest, as it will give Dominion Telecom access to the financial and operational resources necessary to strengthen its position in the telecommunications marketplace and meet its financial obligations in South Carolina. The proposed merger will ensure that Dominion Telecom will continue to have access to the financial resources it needs to expand and implement its business strategies. Moreover, the proposed transaction will permit Dominion Telecom to continue to provide high quality services to its customers.

7. Following the change of control whereby Dominion Telecom will become a subsidiary of Elantic Networks, the Joint Petitioners desire a change in the name of the surviving corporation from Dominion Telecom, Inc. to Elantic Telecom, Inc.

Based upon the above Findings of Fact, the Commission hereby determines that the Joint Petition filed by the Joint Petitioners for approval of a change in control will not



adversely affect the public interest nor will the transaction adversely affect the provision of telecommunications services in South Carolina, and therefore the Commission approves the requested change of control. The Commission further approves the name change request made by the Joint Petitioners.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. Dominion Telecom's Motion for Expedited Review is granted on the basis of the facts as stated in this Order.

2. The Joint Petition of Dominion Telecom, Dominion Fiber Ventures, and Elantic Networks for approval of a change in control is hereby approved.

3. The requested name change from "Dominion Telecom, Inc." to "Elantic Telecom, Inc." is hereby approved. The Joint Petitioners shall file an amended tariff with the Commission reflecting the new name of "Elantic Telecom, Inc."

4. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/  
Mignon L. Clyburn, Chairman

ATTEST:

/s/  
Bruce F. Duke, Executive Director

(SEAL)